

GENERAL SERVICES ADMINISTRATION (GSA)

Federal Supply Service (FSS)

Authorized Federal Supply Schedule

Price List and Catalog

Financial and Business Solutions (FABS)

Alvarez and Marsal Public Sector Services LLC
2001 K Street NW
Suite 803
Washington DC 20006

Attn: Melissa Glynn
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Contract Number: GS-23F-0017W
Contract Period: December 3, 2009–December 3, 2013 with 3-five year option periods
FSC Group: 520
Business Size: Large

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Customer Information

1a. Awarded Special Item Number (SINs)

SIN 520-1—Program Financial Advisor Services

SIN 520-13—Complementary Financial Management Services

1b. Price List

See the section in this price list titled “Rates” for hourly firm fixed prices.

1c. Description of Labor Categories

See the section in this price list titled “A&M’s Labor Category Descriptions” for labor category descriptions.

2. Maximum Order

\$1,000,000

3. Minimum Order

\$100.00

4. Geographic Coverage (delivery area)

A&M is capable of providing these services anywhere domestically, overseas and worldwide.

5. Point(s) of Production

New York and Washington, DC

6. Discount from List Prices or Statement of Net Prices

Prices shown herein are net (discount deducted)

7. Quantity Discounts

Not Applicable

8. Prompt Payment Terms

Net 30

9a. Government purchase cards are accepted at or below the micro-purchase threshold.

9b. Government purchase cards are accepted above the micro-purchase threshold.

10. Foreign Items

Not Applicable

11a. Time of Delivery

Per individual task order

11b. Expedited Delivery

Specific timing determined by the ordering agency

11c. Overnight and 2-day Delivery

At agency expense if requested. Agencies may contact A&M for rates for overnight and 2-day delivery.

11d. Urgent Requirements

Specific timing determined by the ordering agency. Agencies may contact A&M's Contract Representative to effect a faster delivery.

12. F.O.B. Point

Destination

13a. Ordering Address

Melissa Glynn, A&M Public Sector Services
2001 K St NW
Washington, DC 20006

Additional Ordering Information

Contractor Establishment Code: 08466898 H Labor Task Orders: Will accept

13b. Ordering Procedures

For supplies and services, the ordering procedures, information on Blanket Purchase Agreements (BPAs), and a sample BPA can be found at the GSA/FSS Schedule homepage (fss.gsa.gov/schedules).

14. Payment Address

A&M Public Sector Services, LLC
600 Lexington Avenue
6th Floor
New York, New York 10022

15. Warranty Provision

Not Applicable

16. Export Packing Charges

Not Applicable

17. Terms and Conditions of Government Purchase Card Acceptance

A&M will accept the government credit card for any payment of \$3,000 or less. Please include your government credit card number and identifying information with your remittance.

18. Terms and Conditions of Rental, Maintenance, and Repair

Not Applicable

19. Terms and Conditions of Installation

Not Applicable

20a. Terms and Conditions of Repair Parts Indicating Date of Parts Price Lists and Any Discounts from List Prices

Not Applicable

20b. Terms and Conditions for Any Other Services

Not Applicable

21. List of Service and Distribution Points

Not Applicable

22. List of Participating Dealers

Not Applicable

23. Preventive Maintenance

Not Applicable

24a. Special Attributes Such as Environmental Attributes

Not Applicable

24b. EIT Standards can be Found at www.Section508.gov/

Not Applicable

25. Data Universal Number System (DUNS) Number

149343563

26. Notification Regarding Registration in Central Contractor Registration (CCR) Database

Registered, Cage code 41VJ3

Alvarez and Marsal Public Sector Services, LLC – Overview of Firm Capabilities

Overview & Corporate Experience

Founded in 1983, Alvarez & Marsal (“A&M”) is one of the world’s fastest growing independent global professional services firms. A&M has set the standard for working with organizations to solve complex problems, boost performance and maximize value. With more than 1,600 professionals across North America, Europe, the Middle East, Asia and Latin America, A&M delivers a distinct blend of leadership, problem solving and value creation. Drawing on its strong operational heritage and hands-on approach, A&M works closely with organizations and their stakeholders as advisors or as interim managers to help navigate complex business issues. A&M has been honored for its work by the Turnaround Management Association (TMA) in each of the past five years, receiving the prestigious Turnaround of the Year Award for our work. A&M has also received significant national attention in the Public Sector and has been written about in numerous publications, including: *The Wall St. Journal*, *Jim Lehrer News Hour on PBS*, *The Chronicle of Philanthropy* and *Education Week*.

Firm Experience & Resources

In 2003, A&M launched its Public Sector practice. The Public Sector practice provides specialized services to Federal, State, and Municipal organizations. Alvarez & Marsal Public Sector Services has developed and refined a progressive, pragmatic and forward-looking approach to addressing the unique issues facing public-sector organizations. Our approach draws on more than 25 years of experience in improving the operational and financial performance of privately held and public companies, and more recently, public-sector organizations. Through each and every challenge, our goal is to enable a mode of service delivery in which value exceeds cost, funds are used judiciously, and quality of life is maintained and even enhanced.

A&M has a broad range of experience of conducting complex analyses for commercial and government clients, this experience includes:

- Managing large restructuring and turnaround programs including current efforts at Lehman Brothers, HealthSouth and Arthur Andersen.
- Providing interim management and support to clients in crisis including Public Schools and the Federal Agencies.
- Serving as a Third Party Fiduciary Agent and interim financial management to overcome serious recurring deficiencies in the administration of a US Territory’s Federal programs.
- Identified and supported the implementation of nearly \$290 million in recurring cost savings and reallocation over a two year period for one of the largest Public School System in the country.
- Providing real estate and transaction advisory services for Enhanced Use Leasing (EUL) programs that allows outleases of underutilized assets to developers for equal to or greater than fair market value of the leaseholder.
- Providing real estate and transaction advisory services for the disposition of low income housing at a state level.

- Performing feasibility and economic impact studies on major new tourism, commercial, real estate, and retail developments, including projecting direct and induced revenues and expenditures, employment, payroll and other fiscal impacts.
- Performing feasibility and economic impact studies, testified before state legislature and Federal regulatory agencies regarding changing bond law, calculated debt coverage from various sources including sales taxes, property taxes, parking fees, and payments-in-lieu-of-taxes (PILOTs).

A&M's Expertise

Over the past 25 years, A&M has served many of the nation's leading corporations and public sector organizations address crisis situations, improve performance and create value. Work with the public sector has focused on delivering innovations yielding significant outcomes including transformational reform, performance reform, revenue generation and compliance achievement. Our services include:

- ▲ Transformation / Restructuring Advisory
- ▲ Real Estate Advisory
- ▲ Facilities and Real Estate Management
- ▲ Grants Management
- ▲ Healthcare Financial and Operational Improvement
- ▲ Regulatory Compliance Services – Healthcare, Banking, Real Estate, Federal Funds Management
- ▲ Dispute, Analysis and Forensic Accounting
- ▲ Litigation Support Services
- ▲ Performance Improvement
- ▲ Finance and Accounting
- ▲ Information Technology Strategy and Integration
- ▲ Human Resources and Labor Relations
- ▲ Supply Chain Management

Public Sector Services Overview

Implementing long term, sustainable and measurable change

For more than 25 years, Alvarez & Marsal (A&M) has set the standard for working with organizations to tackle the most complex financial, operational and organizational challenges. Headquartered in New York, with offices across the U.S. and around the world, A&M is a leading independent provider of a complete range of turnaround management, performance improvement and corporate advisory services. A&M assists organizations in crisis or companies seeking to improve performance in specific financial, compliance and operational areas. Our services are grounded in an integrated financial and operational

perspective that provides insight both into current business environments and into the viability of executing proposed business plans.

A&M delivers real outcomes on behalf of our Public Sector clients applying restructuring methods which have uplifted our private sector clients and lead them through significant challenges and changes including management of significant budget gaps and performance issues. We have the senior experience and leadership of a strategy and operations firm, the depth and breadth in offerings of a full service firm, and the nimbleness of a niche firm. We provide small teams of experienced professionals, while sustaining the breadth of capabilities and resources of a full-service firm to fully staff engagements when required. In all cases, we consistently maintain a bias for action and a dedication to rapid results that distinguishes our work and the outcomes it achieves.

Due to the state of the economy, all States are challenged to meet significant budget crises given the economic conditions. The 2010-11 budget process reflects aggressive cuts to address the ongoing loss of revenue in the tax base. The hardship of the current economy is evident in decreased tax revenues and reflecting the negative financial situations faced by citizens and businesses. Our results have allowed clients to perform more with less – we have balanced budgets, improved internal controls and compliance and gained performance benefits in Education, Healthcare, Real Estate Management and Transportation. Our experience includes:

- o Restructuring – Financial and Performance Stabilization
- o Budget Management
- o Federal Grants Management and Grants Development
- o Third Party Administration

APPLYING RESTRUCTURING IN THE PUBLIC SECTOR

- Providing leadership to critical budget issues and programs addressing internal and external challenges and financial and operational issues
- Rapidly build a robust historic and current state fact base including:
 - o Near-term improvement opportunities
 - o Financial analysis aligning statutory requirements, costs and revenues against performance measures
 - o Identifying revenue enhancing opportunities including Federal funding, Public, Private Partnerships, for and nonprofit investment
- Formulate a comprehensive program of Restructuring Initiatives including:
 - o Assessment of costs
 - o Assessment of scope and size of government
 - o Detailed plans designed optimize efficiency and effectiveness for critical services
 - o Timing, resources and anticipated impact of the selected implementation plan
- Overlay identified Restructuring Initiatives into State strategic plans
- Collaborate closely with stakeholders to best address non-core operations and execute the strategic and operational plan

- o Transaction Support
- o Compliance Management
- o Performance Improvement
- o Interim Leadership
- o Crisis Management

Engaging a partner with experience Restructuring complex organizations like HealthSouth, Lehman Brothers, Levi Strauss, Western Union, and many others provides States with executive guidance, operational leadership, and an ability to execute change.

DIFFERENTIATORS: OUR PEOPLE & OUR APPROACH

Track Record of Delivery for Critical State Functions

A&M has been involved in critical transformations in school districts and State Departments of Education to close budget gaps while simultaneously increasing compliance with State and Federal requirements, driving increased performance outcomes in areas like Special Education, increasing revenue opportunities through gaining foundation and competitive grants support, and improving fiscal management and oversight.

Seniority of Our People

The A&M team is comprised of seasoned operators who have been in your shoes. Our proposed team has an average of 20+ years of experience, and many have held management positions. Because of this depth of experience we are able to field a smaller team of professionals to work with your staff. At the same time we are a full-service firm, with a breadth of offerings and of resources; these attributes allow us to fully staff this project with the right resources, without impacting your personnel's time. Our team understands the high level of exposure in this type of engagement, as well as the function and scale of the services required to support them.

Operational & Financial Heritage

Our firm has a heritage of delivering results, not documentation. We assume more responsibility for execution and final results than a traditional consulting advisor. Whether the firm is acting as a hands-on partner or serving in an interim management capacity, we are able to accelerate the pace of change and increase the magnitude of the benefits.

Pricing Flexibility

Our culture and cost structure allow us to be flexible in our approach and enable us to recruit and dedicate high performing, experienced consultants on a full-time basis to our client engagements. We are experienced in various pricing methods. As a result, we are prepared to craft creative pricing scenarios, such as success fees, which provide a win-win value proposition to both the State and A&M.

We Work with Urgency, Yet Not in Haste

Our team is comprised of top talent with strong employee commitment. We are unique in our culture of accountability. As one of our clients put it, "You don't diagnose my problems and tell me what I need to do to fix them. You OWN my problems and the solutions." We quickly take action that is considered and planned in detail, bypassing the hasty decisions that can lead to re-work and time-delays

The Alvarez & Marsal Approach

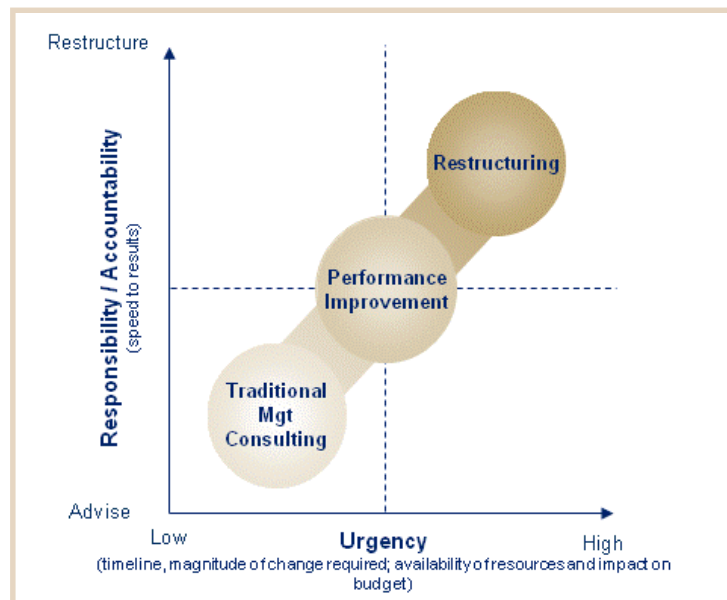
The greater the sense of urgency, the better fit with the A&M way

We define urgency as:

- The magnitude of the targeted improvement (e.g., budget reduction, cash flow or revenue improvement), and
- The time in which the benefit needs to be realized
- The greater the sense of urgency (size and timing of benefit realization) will cause a greater need for dedicated resources that are empowered to make decisions.

We work with executive teams to align stakeholders and improve outcomes. The sense of urgency will be driven by:

- The magnitude of the working capital improvement or budget reduction target
- The rate of decline in revenue projections
- The degree to which core programs and processes must be changed to achieve desired outcomes and benefits
- The mix of payroll to non-payroll savings targeted
- Budget constraints and cost savings requirements



Pricing Information

Base Period

SINs	Labor Category	Year 1	Year 2	Year 3	Year 4	Year 5
520 1, 520 13	Managing Director	\$449.43	\$458.42	\$467.59	\$476.94	\$486.48
520 1, 520 13	Director	\$352.80	\$359.86	\$367.05	\$374.39	\$381.88
520 1, 520 13	Senior Functional Expert/Senior Director	\$416.50	\$424.83	\$433.33	\$441.99	\$450.83
520 1, 520 13	Manager I	\$289.10	\$294.88	\$300.78	\$306.80	\$312.93
520 1, 520 13	Associate	\$204.23	\$208.31	\$212.48	\$216.73	\$221.07
520 1, 520 13	Analyst	\$183.92	\$187.60	\$191.35	\$195.18	\$199.08

Option Period 1

SINs	Labor Category	Year 6	Year 7	Year 8	Year 9	Year 10
520 1, 520 13	Managing Director	\$496.21	\$506.13	\$516.25	\$526.58	\$537.11
520 1, 520 13	Director	\$389.52	\$397.31	\$405.26	\$413.36	\$421.63
520 1, 520 13	Senior Functional Expert/Senior Director	\$459.85	\$469.05	\$478.43	\$488.00	\$497.76
520 1, 520 13	Manager I	\$319.19	\$325.57	\$332.09	\$338.73	\$345.50
520 1, 520 13	Associate	\$225.49	\$230.00	\$234.60	\$239.29	\$244.07
520 1, 520 13	Analyst	\$203.06	\$207.12	\$211.27	\$215.49	\$219.80

Option Period 2

SINs	Labor Category	Year 11	Year 12	Year 13	Year 14	Year 15
520 1, 520 13	Managing Director	\$547.85	\$558.81	\$569.99	\$581.39	\$593.01
520 1, 520 13	Director	\$430.06	\$438.66	\$447.44	\$456.38	\$465.51
520 1, 520 13	Senior Functional Expert/Senior Director	\$507.71	\$517.87	\$528.22	\$538.79	\$549.56
520 1, 520 13	Manager I	\$352.41	\$359.46	\$366.65	\$373.98	\$381.46
520 1, 520 13	Associate	\$248.96	\$253.93	\$259.01	\$264.19	\$269.48
520 1, 520 13	Analyst	\$224.20	\$228.68	\$233.26	\$237.92	\$242.68

Option Period 3

SINs	Labor Category	Year 16	Year 17	Year 18	Year 19	Year 20
520 1, 520 13	Managing Director	\$604.87	\$616.97	\$629.31	\$641.90	\$654.73
520 1, 520 13	Director	\$474.82	\$484.32	\$494.01	\$503.89	\$513.96
520 1, 520 13	Senior Functional Expert/Senior Director	\$560.55	\$571.77	\$583.20	\$594.86	\$606.76
520 1, 520 13	Manager I	\$389.09	\$396.87	\$404.81	\$412.91	\$421.16
520 1, 520 13	Associate	\$274.87	\$280.36	\$285.97	\$291.69	\$297.52
520 1, 520 13	Analyst	\$247.53	\$252.48	\$257.53	\$262.68	\$267.94

Note: All rates are inclusive of the 0.75% Industrial Funding Fee.

Alvarez and Marsal Public Sector Services' Labor Categories

- **Managing Director** - A&M's Managing Directors have over twelve years of experience and a minimum of a bachelor's degree. They have overall responsibility for delivery of services and client interface. Managing Directors have significant experience in leading and providing technical direction for consulting projects and serve engagements as: the primary point of contact for critical matters related the project, providing leadership for client interactions and overall activities of the consulting project to ensure that all work performed is in compliance with professional standards, the goals of the client, and the guidelines of Alvarez & Marsal, directing the activities of the functional management team of the strategic business unit in ensuring that policies and controls are in place for all functions.
- **Senior Director/Senior Functional Analyst** – Having ten plus years of experience, provides specialized financial management experience in conducting industry or technically specific analysis including, but limited to, education, real estate, healthcare, dispute analysis, operational risk management, econometric modeling and serves as a subject matter expert to the project team and project leadership. Advises on methodology, technical, industry and data standards, and coordinates analysis with other work streams as required.
- **Director**– Having ten plus years of experience, senior directors and senior functional analysts lead and direct project personnel and management of delivery including budget, cost and risk associated with project delivery. They have significant financial management experience in business consulting environments defining technical approaches, standards, execution approach and quality control across a variety of requirements including, but limited to, organizational design, cost analysis, performance outcomes, process design and financial management. The Senior Director/Senior Functional Analyst identifies and engages support of technical expertise as required based upon project requirements, size and complexity and establishes project standards and ensures execution is undertaken under those standards.
- **Functional Expert/Consultant II** – With six or more years of professional experience, our functional experts/consultants II provides specialized experience in conducting industry or technically specific analysis including, but limited to, education, real estate, healthcare, dispute analysis, operational risk management, econometric modeling and serves as a subject matter expert to the project team and project leadership. They support performance of work streams through conducting specific analysis and reporting based upon technical, industry and data standards, and coordinates analysis with other work streams as required.
- **Manager (I)** - Are responsible for team activities under guidance from project leadership and may have responsibility for multiple workstreams or a single workstream as appropriate given the project's technical approach, size and complexity. With six or more years of professional experience, they interact with clients, designs and execute project technical approaches and is responsible for project management consistent with standards set forth by project leadership including presentation of results and status information to project leadership and clients.

- Associate – With two or more years of professional experience and a minimum of a four year college degree, their responsibilities may include accounting, budgeting, financial transaction support, data analysis, participation in interviews, and analysis and associated documentation of results aligned with the project’s technical approach. An Associate may have responsibility to supervise Analysts and staff resources based on project requirements and complexity.
- Analysts – With one or more years of professional experience and a minimum of a four year college degree, Analysts assist with setting up and maintaining the project management infrastructure including status reporting, project planning, risk and issue management, contract management, man power reporting and other areas as necessary. Assists in data collection and data management, reporting to support project performance under the direction of project leadership.